**Freudenberg Sealing Technologies CEO: Suppliers Must Transform to Survive in Era of New Mobility**

**Claus Moehlenkamp speaks about automotive industry disruption at CAR MBS conference in Traverse City, Michigan**

**Traverse City, Mich., (USA), Aug. 1, 2018. In today’s evolving automotive industry, suppliers who are not prepared to embrace new mobility options may not survive in the long run. This is the message that Freudenberg Sealing Technologies CEO Claus Moehlenkamp shared during his presentation at the 2018 Center for Automotive Research Management Briefing Seminars (CAR MBS) conference in Traverse City, Mich. Freudenberg Sealing Technologies is the largest business unit of the global Freudenberg Group headquartered in Germany.**

Speaking candidly – Freudenberg Sealing Technologies could lose approximately 70 percent of its automotive sales if it does not embrace new e-mobility and fuel cell opportunities – Moehlenkamp outlined how one of the world’s largest sealing solution providers is redefining itself through a series of strategic initiatives that include internal realignment, new partnerships, technology transfer across industries, renewed investment in core competencies and entry into new markets and technology applications.

“It is no longer a matter of if but a question of when disruption will impact automotive suppliers,” Moehlenkamp told his audience. “Any supplier who is heavily focused on the powertrain systems derived from the internal combustion engine is at risk and will be challenged in the long run. It is imperative to seize the new opportunities being offered.”

**From ICE to the Future**

Freudenberg Sealing Technologies expects (internal combustion engines) ICE powertrains to remain crucial in the near term, especially as sales of plug-in hybrids with electric powertrain and internal combustion engines grow. By 2025, however, the company expects pure electric vehicles to gain significant volume as manufacturers overcome technology and market challenges. Growth in fuel cell applications will follow. E-mobility technology will gain significant volume by 2025, fuel cell applications will follow.

Citing the Freudenberg Group’s history of innovation and successful change in the face of other significant industry disruptions, Moehlenkamp said Freudenberg Sealing Technologies has analyzed how this transition will impact every aspect of its operations, from research and development, product engineering and manufacturing processes to supply chain operations, marketing and sales and workforce employment.

Freudenberg Sealing Technologies has spent years developing world-class components that address some of the automotive industry’s toughest ICE challenges – solutions such as Levitex®, Levitorq and Levitas friction-free seals and gaskets. These solutions must now be re-oriented to address unique battery-powered and fuel cell systems challenges as well, Moehlenkamp said. Sealing technologies that lower friction, increase power and efficiency and address light-weighting and compact design requirements, for example, will be equally important in an era of new mobility.

But in addition, “we want to provide made-to-order products for nearly all the components of an electric vehicle,” Moehlenkamp said. To achieve this, the company has reorganized itself internally and begun pursuing system and module capabilities in lithium-ion battery and fuel cell technologies through new external partnerships.

**New Organization, New Players**

In 2017, Freudenberg Sealing Technologies cemented its growing commitment to alternate powertrain technologies by establishing a dedicated e-mobility sales and marketing organization, Moehlenkamp told his MBS audience. The organization is responsible for building product and service opportunities and trust with existing and new customers working in the electric powertrain arena.

By analyzing the quickly evolving technology requirements of e-mobility vehicle manufacturers, the company has already expanded its product portfolio to include unique sealing solutions that address thermal management, higher safety standards, electrical transfer, electromagnetic shielding and a longer service life, among other trends.

Company analysis also revealed that growing e-mobility and fuel cell opportunities existed outside of the traditional automotive applications. To capitalize on these opportunities, Freudenberg Sealing Technologies has taken bold steps, Moehlenkamp said, including the formation of a new division that is anchored by two recent acquisitions.

The company’s new Battery and Fuel Cell Division will pursue e-mobility and fuel cell opportunities in the commercial truck and bus, marine and energy industries, among others, Moehlenkamp revealed. In support of this work, Freudenberg Sealing Technologies has acquired the Munich, Germany-based fuel cell system manufacturer Elcore, and a significant interest in Midland, Mich., U.S.-based XALT Energy, a renowned developer and manufacturer of lithium-ion battery cells, power electronics and battery management systems.

“Elcore and XALT are crucial to our strategy of strengthening our current portfolio, investing in electrified technologies and building our business with strategic merger and acquisition opportunities,” Moehlenkamp said. “With the additions, we have grown our expertise and module capabilities in lithium-ion battery and fuel cell systems.

“We will continue to consider merger and acquisition opportunities that support this strategy and help our company grow and capture market share,” the CEO added.

The addition of Elcore and XALT bring new research and development and manufacturing facilities, as well as people, to Freudenberg Sealing Technologies. The companies also bring additional important industry partners like ABB in the marine and New Flyer in the electric bus and Bosch in the stationary energy industries to the relationship.

**Technology Transfer: Tapping Freudenberg’s Strength**

All of these strategic initiatives – reinvesting in core competencies, internal reorganization, new partnerships and new markets – will help Freudenberg Sealing Technologies weather current disruption in the automotive industry and grow even stronger in the future, Moehlenkamp said. A final element – tapping into the remarkable technology resources available across the entire Freudenberg organization – will play a crucial role in helping Freudenberg Sealing Technologies move new innovations in e-mobility and fuel cells to market faster, more efficiently and more effectively, he said.

Freudenberg Sealing Technologies is already leveraging research and material developments pioneered by other Freudenberg sister companies including Freudenberg Filtration, Freudenberg Performance Materials, Freudenberg Medical and Vibracoustic, Moehlenkamp said. With the automotive industry’s evolution to alternate powertrain systems, more opportunities to apply existing technologies to novel challenges will likely emerge.

“Our strength as a collective global industrial organization is instrumental to our future,” Moehlenkamp said. “Our founding business principles, our family legacy, our ability to tap the knowledge and expertise of 48,000 employees located in 60 countries, are remarkable strategic advantages that bode well for our long-term sustainability and success.”

###

**Media Contact:**

Freudenberg-NOK Sealing Technologies

Cheryl Eberwein, Director, Media Relations

office: +1 734 354 7373

email: [cheryl.eberwein@fnst.com](mailto:cheryl.eberwein@fnst.com)

Freudenberg Sealing Technologies

Ulrike Reich, Head of Media Relations

Office: +49 (0)6201 80 5713

Email: [ulrike.reich@fst.com](mailto:ulrike.reich@fst.com)

[www.fst.com](http://www.fst.com) [www.twitter.com/Freudenberg\_FST](http://www.twitter.com/Freudenberg_FST) www.youtube.com/freudenbergsealing

https://www.fst.de/api/rss/GetPmRssFeed

**About Freudenberg Sealing Technologies**

Freudenberg Sealing Technologies is a longstanding technology expert and market leader in sealing technology and electric mobility solutions worldwide. With its unique materials and technology expertise, the company is a proven supplier for demanding products and applications, as well as a development and service partner to customers in the automotive industries and in general industries. In 2017, Freudenberg Sealing Technologies generated sales of about €2.3 billion and employed approximately 15,000 people. More information at [www.fst.com](file:///\\plymfs\common\Corporate%20PR\Press%20Releases%20&%20Media%20Alerts,%20Backgrounders\2018\Automotive\www.fst.com).

The company is part to the global Freudenberg Group which, with its Business Areas Seals and Vibration Control Technology, Nonwovens and Filtration, Household Products as well as Specialities and Others. In 2017, the Group generated sales of approximately €9.3 billion and employed more than 48,000 associates in around 60 countries. More information is available at [www.freudenberg.com](file:///\\plymfs\common\Corporate%20PR\Press%20Releases%20&%20Media%20Alerts,%20Backgrounders\2018\Automotive\www.freudenberg.com).